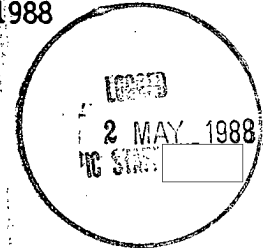


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CmTE. 12-8R

ICS 0818-88/1

21 April 1988



25X1

MEMORANDUM FOR: Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz
Director, Intelligence Community Staff

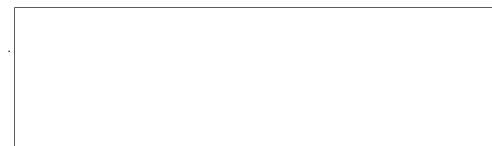
SUBJECT: Response to SSCI Follow-on Questions to 29 March Hearing

1. The attached transmittal letter and compilation of agency responses for a portion of the first eight questions is forwarded for your review and signature, per your request.

2. The State Department is still drafting the response to question 5 and should have it delivered shortly.

3. Per conversations with Mr. John Elliff of the SSCI Staff, a partial response is being provided as the need is urgent for SSCI markup of legislation.

4. Questions nine through 29 have been tasked to the responsible agencies for response and, per the SSCI request, will be provided to meet the due date of 26 April.



Edward J. Heinz
Lieutenant General, USAF

STAT

Attachment:
a/s

REGRADE UNCLASSIFIED WHEN SEPARATED
FROM CLASSIFIED ATTACHMENTS

~~SECRET~~

SUBJECT: Response to SSCI Follow-on Questions to 29 March Hearing

CCISCMO/ICS: [REDACTED] (20 April 1988)

STAT

Distribution of ICS 0818-88/1 (w/att):

Original - DCI

1 - ER (via DDCI)

1 - D/ICS

1 - OCA

1 - LL/ICS

1 - PBO/ICS

1 - ICS Registry

1 - CCISCMO subject

1 - CCISCMO chrono

1 - SED ([REDACTED])

STAT

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The Director of Central Intelligence

Washington, D.C. 20505

ICS 0818-88

26 April 1988

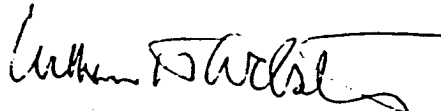
The Honorable David L. Boren, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In response to the questions forwarded by the Senate Select Committee on Intelligence (SSCI) as a follow-on to the 29 March 1988 hearing on counterintelligence asking for comments by the participating agencies, the Community Counterintelligence and Security Countermeasures Office (CCISCMO), Intelligence Community Staff, as secretariat for the counterintelligence aspects of the Intelligence Community, was tasked to coordinate compilation of the response with a due date of 20 April. Herewith, identified by responding agency, are the responses to all the questions with the exception of number 5. The Department of State has indicated that the response to question 5 will be forthcoming shortly.

The remainder of the questions, nine through 29, have been tasked by CCISCMO to the appropriate agencies. A compiled response will be forwarded as requested by the SSCI to meet the 26 April due date.

Sincerely yours,



William H. Webster

Enclosures

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WHEN SEPARATED FROM ENCLOSURES

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CCISCMO/ICS: (20 April 1988)

STAT

Distribution of ICS 0818-88 (w/encs):

Original - Senator Boren, SSCI

- 1 - DCI
- 1 - ER (via DDCI)
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- 1 - CCISCMO subject
- 1 - CCISCMO chrono

1. Last year, administration officials told the Committee that the President wanted to upgrade the position of Director of Diplomatic Security to Executive Level III, with a separate line item for his budget and the authority to assure all aspects of security at overseas missions, including construction, maintenance, operations, and counterintelligence. Subsequently, the State Department gave the Intelligence Committee the attached draft bill language. Given its direct relevance to national intelligence and counterintelligence interests, would the Administration, the State Department, and the DCI support enactment of this legislation this year in the Intelligence Authorization Act?

Answer:

Yes, assuming the Senate Foreign Relations and House Foreign Affairs Committees are agreeable. The Administration is committed to carrying out the President's decision to upgrade the current Assistant Secretary for Diplomatic Security Position (Executive Level IV) to a Director of Diplomatic Security at Executive Level III. We think this approach is clearly preferable to the idea of an Under Secretary (also Executive Level III), with his span of control diluted across additional functions, as has also been proposed. The Director concept, if enacted, would provide a significant reaffirmation and enhancement of the role of the Department's senior official for security, without the additional hierarchy which would accompany an Under Secretary with multiple functions. Attached is our current version of the proposed statutory language and accompanying sectional analysis, which reflects among other consultations informal discussions with members of the Committee staff.

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With respect to a separate line item for the budget of the Director of Diplomatic Security, we also support the idea. However, we do not believe that a statutory authorization is needed. The Department's authorization bill already contains a separate component within the general category for Administration of Foreign Affairs (see section 101 attached), and we plan to seek parallel coverage this year for our appropriation, working with our two appropriations subcommittees.

This response was prepared by the Department of State.

DIRECTOR OF DIPLOMATIC SECURITY

(a) ESTABLISHMENT OF POSITION --

(1) Section 102(b)(2) of Public Law 99-399 (22 U.S.C. 4801(b)(2)) is amended by striking "an Assistant Secretary of State" and inserting in lieu thereof "a Director".

(2) Section 105 of P.L. 99-399 (22 U.S.C. 4804) is amended by striking "Assistant Secretary for" each time it occurs and inserting in lieu thereof "Director of" and by striking "for the following" in the introductory language and inserting in lieu thereof "for ensuring all aspects of security at our overseas missions, including but not limited to construction, maintenance, operations, and counterintelligence, and all other functions enumerated below".

(3) Section 5314 of title 5, United States Code, is amended by adding after "Counselor of the Department of State": "Director of Diplomatic Security, Department of State".

(b) DEPUTY DIRECTOR FOR DIPLOMATIC SECURITY SERVICE

Section 202 of Public Law 99-399 (22 U.S.C. 4822) is amended by striking "Director of" in the title and substituting in lieu thereof "Deputy Director for", by inserting the word "Deputy" before "Director" each time it occurs, and by striking "Assistant Secretary for" and inserting in lieu thereof "Director of".

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(c) CONFORMING AMENDMENTS

(1) Section 104 of P.L. 99-399 (22 U.S.C. 4803) is amended by striking "Assistant Secretary for" each time it occurs and inserting in lieu thereof "Director of".

(2) The first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2652), is amended by striking out "fifteen" and inserting in lieu thereof "fourteen".

(3) Section 5315 of title 5, United States Code, is amended by striking out "(15)" following "Assistant Secretaries of State" and inserting in lieu thereof "(14)".

(4) Section 107 of P.L. 99-399 (22 U.S.C. 4806) is amended by striking "Assistant Secretary for" and inserting in lieu thereof "Director of".

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SECTIONAL ANALYSIS

The purpose of this legislation is to implement decisions made by the President and set forth in a classified memorandum of October 22, 1987 entitled "Enhancing Security at Embassy Moscow and Other Overseas Missions" from National Security Adviser Colin L. Powell to Secretary of State George P. Shultz and Director of Central Intelligence William H. Webster. The President's decisions followed a period of intensive review of security at our posts abroad in light of reports of unauthorized access by Soviet nationals to the current U.S. embassy in Moscow and extensive technical penetration of the new chancery currently under construction in that location. Numerous reports were prepared by Commissions and other groups undertaking various aspects of this review procedure, and recommendations were submitted by Secretary Shultz and Director Webster to the President on August 3, 1987.

The President's decision, among other things, adopted certain of the Shultz/Webster recommendations for refining the organizational structure responsible for security matters at posts abroad to focus and enhance the security function in the Department of State.

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To implement this decision, section (a) elevates the head of the Bureau of Diplomatic Security in the Department of State from an Assistant Secretary, Executive Level IV, to a Director at Executive Level III. It also makes clear that the Director has responsibility for all aspects of security at our overseas missions, including but not limited to construction, maintenance, operations and counterintelligence.

Section (b) changes the title of the head of the Diplomatic Security Service, an office within the Diplomatic Security Bureau, from "Director" to "Deputy Director" in order to avoid confusion with the Director created under section (a).

Section (c) sets forth certain conforming amendments to fully implement the provisions of this legislation.

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TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATIONS OF FUNDS; RESTRICTIONS

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

(a) **DIPLOMATIC AND ONGOING OPERATIONS.**—The following amounts are authorized to be appropriated under "Administration of Foreign Affairs" for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States:

(1) For "Salaries and Expenses" of the Department of State (other than the Diplomatic Security Program), \$1,431,908,000 for the fiscal year 1988 and \$1,460,546,000 for the fiscal year 1989, of which not less than \$250,000 for each fiscal year shall be available only for use by the Bureau of International Communications and Information Policy to support international institutional development and other activities which promote international communications and information development.

(2) For "Acquisition and Maintenance of Buildings Abroad" (other than the Diplomatic Security Program), \$313,124,000 for the fiscal year 1988 and \$319,386,000 for the fiscal year 1989.

(3) For "Representation Allowances", \$4,460,000 for the fiscal year 1988 and \$4,549,000 for the fiscal year 1989.

(4) For "Emergencies in the Diplomatic and Consular Service", \$4,000,000 for the fiscal year 1988 and \$4,080,000 for the fiscal year 1989.

(5) For "Payment to the American Institute in Taiwan", \$9,379,000 for the fiscal year 1988 and \$9,567,000 for the fiscal year 1989.

(b) **DIPLOMATIC SECURITY PROGRAM.**—In addition to amounts authorized to be appropriated by subsection (a), the following amounts are authorized to be appropriated under "Administration of Foreign Affairs" for the Department of State to carry out the diplomatic security program:

(1) For "Salaries and Expenses", \$350,000,000 for the fiscal year 1988 and \$357,000,000 for the fiscal year 1989.

(2) For "Protection of Foreign Missions and Officials", \$9,100,000 for the fiscal year 1988 and \$9,282,000 for the fiscal year 1989.

(c) **DIPLOMATIC SECURITY PROGRAM CAPITAL CONSTRUCTION.**—Section 401(a)(3) of the Diplomatic Security Act (22 U.S.C. 4851(a)(3)) is amended by adding at the end thereof "Authorizations of appropriations under this paragraph shall remain available until the appropriations are made."

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7. Is there any legal barrier, apart from Presidential policy, against letting the Soviets occupy their Mt. Alto chancery building before we have a secure new building in Moscow? Please explain fully and cite applicable law.

There are two provisions relevant to the Soviet's occupying Mt. Alto. First, our obligation to allow the Soviets to occupy the Mt. Alto chancery is conditioned upon our ability simultaneously to occupy our new chancery. Article I, paragraph 6 of the Conditions of Construction, signed by the United States and the USSR on December 4, 1972 provides:

The chanceries will be occupied simultaneously at an agreed upon date after final completion and acceptance.

Second, Section 304 of the Department of State Appropriation Act, 1988, enacted as part of the Continuing Resolution, states:

Sec. 304. The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington D.C. or any other new facility in the Washington, D.C. metropolitan area, until a new chancery building is ready for occupancy for the United States embassy in Moscow; Provided, That none of the funds appropriated in this Act may be obligated for the new office building in Moscow except for engineering and technical studies prior to October 1, 1988.

This response was prepared by the Department of State.

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